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THE HUMAN SERVICES COMMITTEE

February 26, 2014

Testimony of Joelen J. Gates

H.B. No. 6846 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HUMAN SERVICES PROGRAMS.

Recommended Action: Reject reduction to nursing home residents' personal needs allowance, cuts to CT Home Care Program for Elderly, lower burial allowance, and increase to Medicare Part D copayments

Good Afternoon Representative Abercrombie, Senator Moore, and members of the Human Services Committee. My name is Joelen Gates and I am the managing attorney for the Willimantic office of Connecticut Legal Services, Inc., a private non-profit law firm that provides free legal services to low-income people. The majority of my clients are elderly people, 60 years of age or older, and I'm here to testify on their behalf with regard to the Governor's budget recommendations for human services programs, H.B. 6846.

The Governor has recommended drastic cuts for programs that help low-income families, the elderly and people with disabilities meet their basic needs. We urge you to look for other ways to balance the budget, better choices, that will invest in our economy rather than cost jobs, slow economic growth and deplete vital public services.

Some of the proposals that are particularly harmful to the elderly include cuts to home care services, increased copays for home care services and prescription drugs, and less money for nursing home residents to spend on their personal needs.

The CT Home Care Program for Elders (CHCPE). The Governor is asking low-income elderly to increase their contribution towards the cost of care in the home care program from 7% to 15%, more than double what they currently pay. When the contribution was increased in the past, many elderly people could no longer afford the services and had to withdraw from the program, putting them at risk for needing more expensive hospital or nursing home care.



According to the DSS annual report from 2012, CHCPE saved the state over \$13 million by keeping thousands of people out of nursing homes, where the average cost of care for a resident is \$142,212 per year. Compare this with \$11,000 which is the average cost for services in the state- funded home care program according to the 2012 annual report. If the overall goal is to save the state money, the state will save more by helping the elderly maintain themselves at home. Requiring the elderly to pay double the cost of their care will inevitably end up costing the state more in the long run, as some of those elderly withdraw from CHCPE, and end up suffering a decline in health that will then require expensive hospitalization or nursing home care.

The Governor proposes to freeze intake for the CT Home Care Program level one which offers basic services for elderly people who are at risk of being placed in a nursing home. Without assistance from this program, those seniors will be at risk for injury and decline. Freezing level one of the home care program may save money in the short run, but it undermines state policy that seeks to enable the elderly to age in place. Again, the state risks spending more money in the long run if those people end up needing more expensive care due to medication errors or preventable falls.

Nursing home residents' personal needs allowance. Nursing home residents on Medicaid are required to pay all of their income towards the cost of their care to the nursing home except for a small personal needs allowance (PNA) from which they must pay for their own clothes, telephone, haircuts, personal toiletries, snacks, books, etc. The Governor proposes to cut this allowance from \$60 to \$50 a month. Nursing home residents already lost \$9.00 from their allowance in 2011 when the Governor asked them to "share the pain" in that year's budget cuts. Please do not balance the budget on the backs of 30,000 nursing home residents who have already lost so much.

Increase in prescription drug copays. Currently people who are dually eligible for Medicare and Medicaid pay up to \$15.00 per month in copays for prescription drugs. The Governor's budget removes this cap and requires these indigent people to pay their full Medicare Part D drug copays. Many of them, will be unable to make these payments, and as a result will be forced to go without their medications, or need to choose between paying for rent, food, or medications. We should not burden the elderly, living on fixed incomes, with this financial stress.

Reduction in burial allowance. The state currently pays a funeral home \$1,800 to bury an indigent person. The governor proposes to reduce that amount to \$1,000. Funeral homes will not be able to afford to bury people at this low reimbursement rate. Again, we don't need to balance the state budget on backs of the poor.

Thank you for considering the needs of Connecticut's most vulnerable citizens as you work to balance the budget. Please do not do it at their expense. They cannot afford it, in either human or financial terms.

Please feel free to contact me at (860)786-6372 or jgates@connlegalservices.org.